

**Early Morning Update:**

The Feb18 natural gas contract is trading up \$0.01 at \$3.19. The Feb18 crude contract is up \$0.08 at \$63.45.

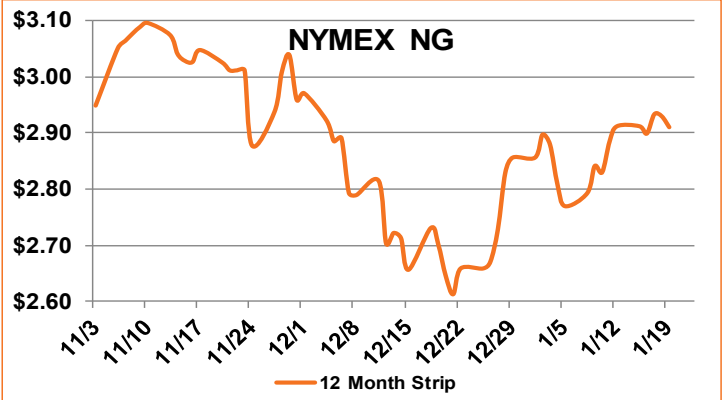
**Summary:** On Friday, after a volatile trading week, NYMEX natural gas futures price for February remained relatively flat, decreasing only 0.4 cent to settle at \$3.185/MMBtu. After the second wave of cold spread across most of the nation this month, the 1-5 and 6-10 day forecasts have moderated, with warmer-than-normal temperatures blanketing the majority of the eastern half of the country. The warmer weather has helped put a cap on NYMEX prices for the remainder of the calendar year. Total U.S. demand for natural gas has tumbled over 40 Bcf/d over the last six days, with res-comm and industrial demand lower by 4% and 1%, respectively. Recently, production has been on the upswing, pushing closer to the record level set at the end of December and averaging over 77 Bcf/d. Expectations for the end of the titular withdrawal season have fallen even further, after the second wave of cold last week, to 1.24 Tcf.

**Bullish Factors**

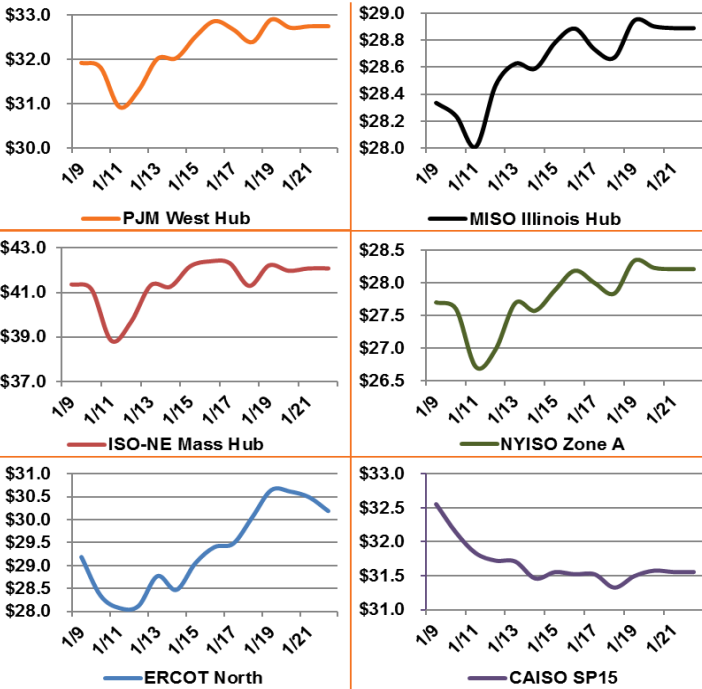
- Low expected storage levels
- LNG exports ramping up
- Exports to Mexico at all-time high

**Bearish Factors**

- NG production at record levels
- Growing renewable energy generation
- Increased NG pipeline capacity



**12 Month Strips, ATC Power Prices**



**Next Day On-Peak Power (traded for 1/22/2018)**

<b>ISO-NE Mass Hub</b> \$58.62	<b>MISO Indiana Hub</b> \$28.71	<b>NYISO Zone G</b> \$39.50
<b>PJM West Hub</b> \$25.89	<b>ERCOT North</b> \$26.50	<b>CAISO SP15</b> \$38.59
<b>NYMEX NG</b>	<b>Close</b>	<b>Change</b>
Feb-18	3.185	-0.004
Mar-18	2.941	-0.047
12 Month	2.910	-0.019
Cal 19	2.799	-0.016
Cal 20	2.797	-0.006

**EIA Natural Gas Storage**

<b>EIA Reported Storage (Bcf)</b>	<b>This Week</b>	<b>Last Week</b>	<b>Last Year</b>	<b>5-Year Avg.</b>
<b>Total</b>	2,584	2,767	2,952	2,946
<b>Diff v. Current</b>		-183	-368	-362
<b>% Diff</b>			-12.5%	-12.3%

